

Lobbyist's Report October 24, 2008

Important Dates

November 4th (duh) -- general election

November 10th -- pre-filing of bills

January 13th -- Legislature convenes at noon. House elects Speaker, adopts rules

DATC in a Box

The Day at the Capitol in a Box project is almost history. With our last scheduled program about the Massachusetts health care reforms, the Connector, and why we don't want similar reforms in Texas to be given to SAAHU on Nov. 19th, we will have taken it to 11 of the 12 active TAHU chapters.

Large thanks are in order to the leaders in all the chapters who found a place on their schedules to let us present the c.e. on Massachusetts as well as the sidebar parts about lobbying and legislative web site tracking. Thanks to members in all the local chapters who were great hosts, from picking us up at the airport to making sure we had a place to stay to making sure we had our nourishment. Special large thanks go to my traveling companions, Ron Buffum and Misty Baker, who gave the whole show some extra special flavor. Sometimes it felt like we had been recast in today's version of "Planes, Trains, and Automobiles" but it was worth it to us and I hope the information will help our members carry the message to the Legislature. Finally, it could not have been done without the support of the Ron and other members of the Executive Committee and the full board. Thank you all for making it happen.

Sunset

The Sunset Commission took another swing at insurance issues when it met last month, deciding what to include and not include in its recommendations to the Legislature about how TDI should operate. "Sunset" is the process all state agencies, board and commissions go through every 12 years or so and requires the Legislature to vote to continue the agency. The good news is that commissioners voted against including a couple of very important health insurance issues in their recommendations. The bad news is these issues are not dead and definitely will come up as separate legislative bills.

#1) Minimum loss ratio requirements. Motion by Sen. Deuell, seconded by Sen. Hinojosa: The motion failed and will not be a part of the Sunset report. Nays: Isett, Flynn, Harper-Brown, Kolkhorst, Estes, McMahan, Sugg (7); Ayes: Hinojosa, Brimer, McClendon-Jones, Deuell (4)

#2) "Regulatory consistency across all lines of insurance." This translates into rate regulation for life and health insurance. Motion by Sen. Deuell, seconded by Sen. Hinojosa. The motion failed and will not be a part of the Sunset report. Nays: Isett, Hegar, Flynn, Harper-Brown, Kolkhorst, Estes, McMahan, Sugg (8); Ayes: Hinojosa, Brimer, McClendon-Jones, Deuell (4)

TDI Academy Forum

E.C. member Louanne Trebbing and I attended the Texas Department of Insurance TDI Academy Forum on Oct. 7, 2008. Here is a summary of what we learned and thought of it all.

Louanne Trebbing, RHU

I am not sure what I thought this forum would be all about, but I was pleasantly surprised to go to a meeting that made me think about educating our future health insurance underwriters.

We all know about baby boomers and their retirement and how many of these we have in our industry. BUT, did you know that the Y generation is larger than the baby boomer generation and that the 2009 high school graduating class will be the largest ever? The average age of an independent agency owner is 54. Thousands of jobs are expected to open to replace workers who leave the industry or retire.

Rick Gentry, the executive director of the Insurance Council of Texas, spoke about their trade association of property and casualty insurance companies operating in Texas. They started out small, but committed every dollar of sponsorship money from their annual convention toward a scholarship program to study insurance and risk management. One third of their recipients now work in the insurance industry. They put together a resume for each of their recipients and provide that information first to their board, then their companies, as a hiring pool.

William Pierson is an Assistant Vice President of the Independent Insurance Agents & Brokers of America (the Big "I") and manages the Agent Development Department. In that capacity Mr. Pierson also serves as the Executive Director of

the InVEST Program, Classroom to Career, which is a free program. InVEST develops a diverse pool of insurance professionals and informed consumers by educating high school and community college students on careers in insurance, financial services and risk management and encouraging them to pursue careers in the industry. Check out their information at www.investprogram.org. This is a very exciting program.

The University Of Houston College Of Business in downtown Houston has been working on an insurance program degree for about the last two years, which will be ready to go shortly. It can be taken as a Major or Minor and requires 1 semester internship with either an agency or carrier. It includes health insurance!!

There was a lot of information to absorb, and I will try to obtain the Power Points to pass along. What I came away with was that TDI is very interested in educating the future insurance professionals in a college environment and that the P&C industry is way ahead of the health insurance industry in this endeavor.

TAHU has the ability to develop a scholarship program through The Honorees Corporation, and definitely has mentors and ability to help with internships. I would like to see us begin to work on educating the future health insurance underwriters.

Lee Manross

Like Louanne, I was unsure exactly what this idea of the commissioner's would turn out to be. From what little I knew about it, though, I liked the overall idea and goal.

The forum put a little substance to the idea and was a great first step in really putting it in motion. Insurance commissioners get a lot of visibility / notoriety from their daily activities in regulating insurance in this big state but this academy idea could overshadow it all and bring significant changes to the industry that will benefit all Texans.

Two statistics were startling: how many jobs are going to be opening up due to retirement, etc. -- (33 to 50% in the next 5 - 10 years) and the high percentage of young people -- in the mid 70 per cent -- who would be favorably inclined to consider a career in insurance. They just need a little roadmap and some encouragement and that's where this whole idea will focus.